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TAGS: ECON EINV ETRD I2

SUBJECT: MAYSAN WANTS PRIVATE INVESTMENT, BUT IN WHAT?

Classified By: Economic Counselor Michael J. Dodman. Reasons 1.4 (b,d)

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(U) This is a PRT Maysan reporting cable.

¶1. (C/REL MCFI) Summary: In a September 20 meeting with seven members of the Investment Committee of Maysan's Provincial Council, s (PC) and the head of the provincial Chamber of Commerce, the Maysanis presented a unified plea for PRT assistance in attracting foreign private investment to the province, but showed remarkable naivet from a strategic standpoint. The officials asked the PRT to arrange visits from U.S. investors into the province so they could meet "face-to-face," but were unable to describe how they would be able to convince foreign businessmen to invest in Maysan. They highlighted Maysan's strong potential in the oil and gas, industrial, agricultural, and tourism (to their beloved marshes) sectors, but have clearly not developed actionable ideas in their embryonic pursuit of outside capital. PRT Team Leader (TL) explained the need for Maysan to develop a targeted marketing strategy aimed at presenting advantages and opportunities to potential investors before focusing on issuing invitations, and offered to investigate options to help develop provincial capacity toward this end. End Summary.

¶2. (C/REL MCFI) While admittedly inexperienced in promoting Maysan to outsiders, the PC members displayed an honest belief that the key to foreign investment in the province is simply bringing investors in and discussing possibilities. The Maysanis related that they had been given permission by the GOI to talk to outside investors, an event which likely spurred this meeting. In trying to narrow a difficult gap of cultural and economic understanding, TL explained that development of a comprehensive plan and marketing approach would be productive first steps in the process. Provincial officials suggested that a training program, for Maysanis involved in investigating foreign investment opportunities and geared towards developing a viable strategy, would be an excellent starting point.

¶3. (C/REL MCFI) Provincial representatives also asked for assistance in the credit sector, explaining that the Iraqi Trade Bank in Baghdad (which they claim is backed by J.P. Morgan) is not focused on the south. They expressed hope that the Trade Bank might consider opening an office in the south to provide better credit opportunities to southern provinces. The Maysanis also discussed a need for scientific and engineering expertise to assist in their planning for an "Oil City," which would be a long-term project set up to take advantage of provincial petroleum resources to lure energy-intensive industry to Maysan.

¶4. (C/REL MCFI) Comment: The Maysanis have an ambitious vision for the economic future of the province, but their nascent ideas show a lack of capacity to move toward the realization of this vision. The PRT will continue to work with the newly formed Provincial Investment Committee, and to investigate training and other options aimed at better enabling the province's growth. End Comment.

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